



Customer Satisfaction Program 18N01

Certain 2018 Model Year Expedition and Navigator Vehicles Equipped With R-1234yf Refrigerant
Special R-1234yf Refrigerant Service Information

**FORD MOTOR COMPANY
EQUIPMENT LOAN AGREEMENT**

RECITALS

- A. Ford is willing to lend to Borrower certain equipment ("Equipment") described in Paragraph 1 hereof for the purpose of recovering contaminated R-1234yf refrigerant on a Ford or Lincoln vehicle.
- B. Borrower is willing to accept the Equipment and use it for the purpose and in accordance with the terms and conditions of this Agreement.

TERMS & CONDITIONS

- 1. Bailment. Ford and Borrower agree that this Agreement shall constitute a bailment of the Equipment to Borrower. Ford hereby lends the following Equipment to the Borrower to be held and used by Borrower, as a Bailee of the Equipment, in accordance with this Agreement:

<u>ITEM</u>	<u>DESCRIPTION</u>
Rotunda item #218-TRSA30	Contaminated refrigerant recovery machine with hoses and fittings
Rotunda item #218-HS3B	3' standard A/C charge hose
Rotunda item #218-CRX430TS	30 lb. refrigerant recovery tank w/float ¹
Rotunda item #218-ARXF6	Liquid line filter drier ¹

¹ Follow return instructions included with equipment or as specified in Attachment V. Refrigerant tanks and liquid line filter drier (refrigerant filter) will not be returned in Canada and are to be disposed of in accordance with local regulations.

- 2. Location and Title. Borrower shall utilize the Equipment in the dealership service area for the purpose of recovering contaminated R-1234yf refrigerant on a Ford or Lincoln vehicle. The Equipment shall remain the property of Ford. The Equipment shall at all times be properly used and maintained by Borrower and shall be marked "Property of Ford Motor Company". The Equipment shall not be removed from the area referred to above, without Ford's prior written approval, for any reason other than for delivery to Ford. Upon request by Ford, the Equipment shall be immediately delivered to Ford. Ford shall have the right to enter onto Borrower's premises at all reasonable times to inspect the Equipment and Borrower's records with respect thereto.

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3. **Indemnity.** Borrower shall defend, indemnify, and save harmless Ford and its subsidiaries and their respective officers, directors, agents, and employees (hereinafter collectively called "Indemnitees") from and against any and all losses, damages, claims, actions, costs and expenses, including, but not limited to, fees and expenses of legal counsel and expert witnesses, that may be imposed upon or incurred by or asserted or entered against the Indemnitees, or any of them, by reason of actual or alleged:

(i) injury to or death of persons (including, without limitation, any employee or employees of one or more of the Indemnitees or of Borrower or of one or more of its contractors, subcontractors, vendors or agents);

(ii) loss of or damage to the property of any person or legal entity (including, without limitation, any property of any employee or employees of one or more of the Indemnitees or of Borrower or of one or more of its contractors, subcontractors, vendors or agents); or

(iii) violation of any law, ordinance or regulation of any governmental authority (including, without limitation, the United States of America or any of its states or localities, or Canada or any of its provinces or localities) by Borrower or by any of its contractors, subcontractors, vendors, agents or employees;

as a result of or arising out of or in connection with the possession or use, by or on behalf of Borrower, of the Equipment, or the condition thereof; provided, however, that the foregoing agreement to indemnify and hold the Indemnitees harmless shall not be applicable to the extent that any such loss, damage, claim, action, suit, judgment, decree, order, cost or expense are attributable to the sole negligence or the willful or wanton misconduct of the Indemnitees. Borrower shall promptly notify Ford of any event covered by this Paragraph of which Borrower has actual notice, and Ford shall be entitled to participate in the defense of any claim for expenses.

4. **Insurance.** Borrower, at its sole cost and expense, shall procure and maintain during the term of this Agreement, from insurers listed in a current "Bests Insurance Guide" as possessing minimum policyholder's rating of "A-" and a financial category of "VI", commercial automobile liability and commercial general liability insurance covering body injury liability and property damage liability, including broad form property damage liability and contractual liability coverage (either a blanket policy or a policy applying specifically to this Agreement), with limits of not less than \$3 million combined single limit per occurrence of loss or damage. Such insurance coverage shall protect the Borrower, Ford and any person using, operating or otherwise having an interest in the Equipment and shall also meet the requirements of any so-called "no-fault" law now in effect or which hereafter may be enacted.

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Such insurance policy shall name Ford as an additional insured and shall provide that the policy may not be canceled or materially altered without 30 days prior written notice to Ford. The insurance provided by Borrower will be primary insurance and will not be excess to or contributory with respect to insurance coverage, if any, provided by Ford. In addition, Ford shall be named as an additional insured on any excess or umbrella program purchased or maintained by Borrower.

At or before delivery of the Equipment to Borrower, Borrower shall provide Ford with acceptable evidence of insurance coverage in accordance with this Agreement by delivering certified copies of insurance policies that provide the required coverage, or certified copies of existing insurance policies that have been endorsed to provide the required coverages, or certificates of insurance executed by the insurer or its authorized representative that certify the required coverages. The furnishing of such insurance shall not relieve Borrower from any liability or obligation for which it is otherwise responsible to Ford. Ford shall be under no duty to examine any certificate provided by Borrower or to advise Borrower that its insurance coverage does not comply with the requirements set forth herein.

5. Maintenance and Repairs. Borrower shall inspect the Equipment upon delivery and by acceptance thereof is deemed to find the Equipment in good working order and condition. Borrower or its designee shall maintain the Equipment in good working order and condition, properly serviced and greased, and comply in every respect with the provisions of Paragraph 10 hereof, and of the manufacturer's owner manual that came with the Equipment. Ford or its designee shall make all major repairs necessary to maintain the Equipment in good working order and condition. Title to all such repairs shall vest in Ford. All repairs and servicing shall be done by qualified service personnel except that warranty work, to the extent practicable, shall be done at the shop of the nearest authorized dealer in such make of the Equipment. Borrower shall pay for all gasoline, oil and normal service required for the proper operation of the Equipment and for all washing, parking, garage, highway road service, tolls and fines required or incurred in connection with the operation of the Equipment.
6. Delivery and Return of Equipment. Ford shall be responsible for delivery of the Equipment to Borrower. Ford shall not be responsible for any delay in delivery of the Equipment. Borrower shall return the Equipment to Ford, at a location designated by Ford, no longer than two weeks after receipt of the Equipment, unless otherwise specified by Ford.

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7. Use of Equipment. Borrower shall utilize the Equipment for the purpose of recovering contaminated R-1234yf refrigerant on a Ford or Lincoln vehicle as specified by Ford. Borrower shall not use or operate the Equipment in violation of any federal, state, local or provincial law, rule, regulation or ordinance including those pertaining to the age and licensing of drivers, the disclosure of Ford's interest in the Equipment, or other requirements or limitations. Under no circumstances shall Borrower disconnect any odometer or other mileage recording device nor shall the Equipment be used or operated (a) in a manner subjecting it to depreciation above the normal depreciation associated with general commercial use, (b) for any illegal purpose or by a person under the influence of alcohol or narcotics, (c) in any manner or for any purpose that would cause any insurance specified in this Agreement to be suspended, cancelled, held inapplicable or increased in cost, or (d) outside the continental United States or Canada without Ford's express written permission. The Equipment shall be operated at all times in a safe, careful and lawful manner and by qualified operators. The Equipment may be operated only by persons who are employees of the Borrower and stand in relations to the Borrower as employee to employer. Further, the operation of the Equipment shall be conducted under the exclusive supervision, direction and control of Borrower. Under no circumstances shall an employee of Borrower be considered or held out as an agent, servant or employee of Ford.
8. Inspection and Reports. Borrower agrees to allow Ford to inspect the Equipment and to otherwise observe it in operation at such time and facility as Ford may specify. Borrower shall provide Ford with such mileage, maintenance, safety, operating or other information or copies of any such records maintained by Borrower with respect to the Equipment as Ford or any governmental agency may require from time to time.
9. Risk of Loss. Borrower shall assume all risks of loss with respect to the Equipment, including loss or damage that occurs despite Borrower's exercise of reasonable care, but excluding normal wear and tear, from the time it is delivered by Ford to Borrower and until the Equipment has been returned to Ford at the location Ford designates. In the event of damage to the Equipment, Borrower shall notify Ford to that effect and follow such instructions as Ford may provide with respect to repair or disposal of the Equipment. Borrower shall be responsible for payment of any repairs to the extent not covered by insurance inuring to the benefit of Ford. If any Equipment is lost, stolen, destroyed or is declared a total constructive loss (subject to Ford's agreement as to such condition), Borrower shall promptly notify Ford thereof and hold any wreckage for disposal by Ford. With respect to any lost, stolen, or destroyed Equipment, Borrower shall pay Ford (to the extent not covered by insurance inuring to the benefit of Ford) an amount equal to the wholesale market value for comparable Equipment in a condition similar to the lost, stolen or destroyed Equipment immediately prior to any such loss.

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10. Procedures on Accidents. Within 24 hours of an accident, theft or conversion of any Equipment, Borrower shall file a written report to that effect with Ford and the insurer of such Equipment. Borrower shall promptly notify and furnish Ford with every demand, notice, summons, process and pleading received in every suit, action or claim arising with respect to the condition, use or operation of the Equipment, and cooperate with Ford and the insurer in defending the same. Ford reserves the right to examine any such Equipment.
11. Termination. Ford may terminate this Agreement at any time by giving 30 days prior written notice to Borrower, except that Ford may terminate this Agreement effective immediately upon written notice to Borrower, in the event Borrower fails to provide or maintain any insurance required hereunder, or in the event of the filing of any petition by or against Borrower under any bankruptcy, reorganization, receivership law, or Borrower's making an assignment for the benefit of creditors, or if Borrower makes or suffers any voluntary or involuntary assignments, or attachment, lien, or levy is made of or attached to the Equipment, or in the event Borrower otherwise fails to adhere to the terms and conditions of this Agreement. Borrower may terminate this Agreement at any time by giving 30 days prior written notice to Ford. Upon termination by either party, Borrower shall make all Equipment immediately available for return to Ford. The obligations and rights provided in Paragraphs 3, 9, 13 and 14 shall survive termination of this Agreement.
12. Assignment. Borrower is expressly prohibited from assigning this Agreement or delegating performance of any of its obligations hereunder without the prior written consent of Ford. Ford shall not be prohibited from selling, assigning, transferring or otherwise encumbering any interest or right hereunder with respect to the Equipment. Nothing contained herein shall be interpreted as releasing Borrower from any of its obligations as specified in this Agreement.
13. Publicity. Neither party hereto shall identify the other party as a joint venturer or partner or otherwise characterize the arrangement between them as anything other than a bailment. Borrower shall not disclose or publicize to any third party: (a) any description of the Equipment, technical specifications or other information about the Equipment; (b) the nature or terms of this Agreement; or (c) the results of any testing, inspection or evaluation of the Equipment by Ford or Borrower without Ford's prior written consent. Borrower shall take the necessary steps to familiarize all appropriate employees of Borrower of its obligations under this Paragraph.

Neither party shall use the other's name or logos, in whole or in part, for any purpose whatsoever, specifically including but not limited to any written, oral or pictorial endorsement, testimonial or advertisement, whether actual or implied, without such other party's prior written approval.

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14. Force Majeure and No Consequential Damages. Ford shall not be liable for any failure in performing any provision hereof due to fire or other casualty, labor difficulty, governmental restriction or any cause beyond Ford's control. Borrower specifically warrants that the Equipment is not critical to the operation of its business and the loss of use of such Equipment, for any reason whatsoever, will not have a material adverse effect on its business. IN NO EVENT SHALL FORD BE LIABLE FOR ANY LOSS OF PROFITS, OTHER CONSEQUENTIAL DAMAGES OR INCONVENIENCE DUE TO EARLY TERMINATION OF THIS AGREEMENT, OR ANY THEFT, DAMAGE, LOSS, DELAY OR FAILURE OF DELIVERY OR DEFECT OR FAILURE OF THE EQUIPMENT, OR THE TIME CONSUMED IN RECOVERING, REPAIRING, SERVICING OR REPLACING THE SAME.
15. Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the laws of the State of Michigan.
16. Entire Agreement, Waiver and Notice. This Agreement constitutes the entire agreement between the parties and may only be amended, modified or supplemented by a written amendment executed by Ford and Borrower. Failure by Ford to enforce any term, provision or condition hereof, or to exercise any of its rights hereunder, shall not be construed as thereafter waiving any such terms, provisions, conditions or rights. In no event shall any course of dealing, custom or usage of trade modify, alter or supplement any of the terms or provisions contained herein. All notices specified or permitted herein shall be in writing, mailed postpaid U.S. mail, or courier service, with return receipt requested.
17. Additional Attachments: The following Attachments (if any) are incorporated into this Agreement by reference: none. To the extent that a provision of an Attachment conflicts with a provision of this Agreement, THIS AGREEMENT SHALL SUPERSEDE THE ATTACHMENT.

Execution of this document indicates agreement with the terms stated above and acceptance of the Equipment in good condition. The person signing for the Borrower warrants and represents that he or she is an officer or agent of the Borrower and is authorized to execute this Agreement on its behalf. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date indicated in the request form.